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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

September 9, 2013

Certified Return Receipt
7010 2780 0002 7254 0845

Todd Wilhite
Wall & Rock, Inc.
3651 North 100 East, Suite 300
Provo, Utah 84064

Boyd Brothersen
450 East 200 North
Mount Pleasant, Utah 84647

Subject: Discussion of Possible Permit Transfer, Wall & Rock, Inc., Freedom from War Mine,
S/039/0024, Sanpete County, Utah

Dear Messrs. Wilhite and Brothersen:

In recent months, the Division of Oil, Gas and Mining has informally discussed with you the possibility of transferring the referenced Notice of Intention to Commence Small Mining Operations (Notice) and associated reclamation surety of \$7,000 from Wall & Rock, Inc., to Boyd Brothersen, the landowner. Both of you have had questions about the consequences of a transfer. Enclosed is a copy of the Division's permit transfer form, which would need to be signed by both parties, and notarized.

Here are some of the implications of a permit and surety transfer:

- Authorization to mine at the Freedom from War site would be transferred from Wall & Rock to Boyd Brothersen. Mining and reclamation would need to be conducted under the terms of the Notice and the operation and reclamation practices portions of the R647 rules (see rules R647-3-107 and R647-3-109). The Notice would need to be updated to show new operator information and any proposed future mine disturbance areas.
- The reclamation surety would be transferred to Mr. Brothersen. Interest in the account is not considered part of the surety.
- The reclamation liability would rest with Mr. Brothersen, including regrading and the requirement that vegetation cover be at least 70 percent of the pre-mining cover and has survived at least three growing seasons, or that revegetation work be satisfactorily completed within practical limits as determined by the Division.
- Wall & Rock would be obligated to pay fines to the Division in the amount of \$1500.00^{00AH}



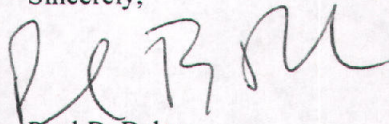
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- Responsibility for the annual fee and for future surety increases would be transferred to Mr. Brothersen.

The Division believes a permit transfer would be the simplest way to resolve the longstanding issues associated with operation and reclamation of this site. If the Notice and surety are not transferred, the Division will likely proceed with bond forfeiture for this site and collection of fines for this and other mines unless a suitable alternative can be found. The Division will wait until November 1, 2013, to request that its attorney begin the forfeiture and collection processes.

If you have any questions or concerns regarding this letter, please contact me at 801-538-5261 or Peter Brinton at 801-538-5258.

Sincerely,

A handwritten signature in black ink, appearing to read 'P. B. Baker', written in a cursive style.

Paul B. Baker
Minerals Program Manager

PBB: pnb: eb
Enclosure: Small Mine Permit Transfer form
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